

**Marilyn Moon, Ph.D.**  
CHAIR



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## **MARYLAND HEALTH CARE COMMISSION**

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## **MARYLAND HEALTH CARE COMMISSION**

**Thursday, November 19, 2009**

### **Minutes**

Chair Moon called the public meeting to order at 1:08 p.m.

Commissioners present: Conway, Falcone, Fleig, Kan, Lyles, McLean, Moore, Olsen, Ontaneda-Bernales, Petty, Todd, and Worthington.

### **ITEM 1.**

#### **Approval of the Minutes**

Commissioner Kan made a motion to approve the minutes of the October 15, 2009 meeting of the Commission, which was seconded by Commissioner Ontaneda-Bernales and unanimously approved.

### **ITEM 2.**

#### **Update of Activities**

Ben Steffen, Center Director for Information Systems and Analysis, said that as a result of HB 255 "HMOs-Payments to Nonparticipating Providers," the Commission, in conjunction with the Maryland Insurance Administration, is required to publish rates that HMO payers must apply to claims payments made to non-participating providers. In December, HMO payers will be notified of the payment formula, which will also be published on the Commission's website.

### **ITEM 3.**

#### **PROPOSED ACTION: COMAR 10.25.06 – Maryland Medical Care Data Base and Data Collection**

Ben Steffen, Center Director for Information Systems and Analysis, presented proposed regulations which would allow the Commission to expand the types of information that may be

collected as part of the Maryland Medical Care Data Base submission. Mr. Steffen said the purpose of this action is to replace existing regulations governing the submission of health care claims and encounters to the Commission with new regulations. He said the revisions and expansion of the regulations would allow the Commission to provide a more complete picture of health care spending by private insurers. Commissioner Fleig made a motion to adopt the regulations as proposed, which was seconded by Commissioner McLean and unanimously approved.

**ACTION: COMAR 10.25.06 – Maryland Medical Care Data Base and Data Collection – Action on Proposed Regulations is hereby APPROVED.**

#### **ITEM 4.**

**ACTION: Certification of Need – Modification – Govans Ecumenical Development Corporation (Docket No. -07-24-2224)**

Govans Ecumenical Development Corporation (GEDCO) applied for a modification to its existing Certificate of Need because of an increase in the capital cost of its project and a change in the financing mechanism. Susan Myers, Health Policy Analyst, presented the staff recommendation on the proposed modification. Ms. Myers said the building costs have increased due to building space modifications and a decision to build to LEED silver standards. She also noted that GEDCO proposed to use federal tax credits as a source of project funding, augmenting funds raised from grants and donations. The total estimated cost for the modified project is \$12,729,674, which is a 2.6% increase over the currently approved cost. Staff recommended that the Commission approve the modification to this Certificate of Need project as outlined in the Staff Report and Recommendation. Ms. Myers noted that the four conditions applied to the original CON should remain in place for this modification. Commissioner Kan made a motion to approve the staff recommendation, which was seconded by Commissioner Todd and unanimously approved.

**ACTION: Certificate of Need – Modification – Govans Ecumenical Development Corporation is hereby APPROVED.**

#### **ITEM 5.**

**ACTION: Certificate of Need – Carroll Hospital Center (Docket No. 09-06-2299)**

Eileen Fleck, Health Policy Analyst, stated that Carroll Hospital Center applied for a Certificate of Need to add two mixed-use, general purpose operating rooms to its facility. Ms. Fleck said that the proposed project would result in a total of ten mixed-use, general purpose operating rooms. Ms. Fleck said that, following approval of this proposed project, Carroll Hospital Center intends to permanently close its Ambulatory Care Center, located at 291 Stoner Avenue in Westminster. The project is estimated to cost \$25,000 and will be funded through cash reserves, with no construction costs because the two operating rooms affected by this project were approved for construction as shell space in 2006. One of the additional operating rooms, which had previously been completed and used only for inpatient surgeries, will be converted to a

mixed-use, general purpose operating room. Equipment for the second additional operating room will be relocated from the Ambulatory Care Center. Staff recommended that the Commission order that a Certificate of Need issue for the proposed project upon Carroll Hospital Center's submission of a revised charity care policy that provides that, within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital will make a determination of probable eligibility, as required by COMAR 10.24.10.04A(1). Commissioner Moore made a motion to approve the staff recommendation, which was seconded by Commissioner Fleig and unanimously approved.

**ACTION: ORDERED that a Certificate of Need will issue to Carroll Hospital Center upon the Hospital's submission of a revised Charity Care Policy that complies with COMAR 10.24.10.04A(1).**

#### **ITEM 6.**

##### **PRESENTATION: Health Insurance: Value-Based Benefit Design and Value-Based Purchasing**

During the 2009 legislative session, the Maryland General Assembly enacted legislation requiring the Maryland Health Care Commission to study options to implement the use of value-based health care services and increase efficiencies in the small group market's Comprehensive Standard Health Benefit Plan. The Commission contracted with Health Management Associates (HMA) to conduct this study. HMA reviewed the literature on value-based benefit design to compare the strengths and weaknesses of patient incentives and to suggest promising models of a value-based benefit design that could be adopted by the Commission in revising the Comprehensive Standard Health Benefit Plan. Dr. Elliot Wicks, Senior Economist for HMA provided a summary of the important concepts and issues, noting that the report identified the objectives of each strategy; reviewed literature; provided examples; outlined conditions for success; identified major barriers; and assessed evidence of success. Dr. Cowdry noted that the full report will be available at the December public meeting of the Commission. At that time, staff will ask for approval to submit the report to the Maryland General Assembly.

#### **ITEM 7.**

##### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 2:55 p.m., upon motion of Commissioner Kan, which was seconded by Commissioner Conway and unanimously approved.